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Message Text

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PAGE 01 STATE 034066
ORIGIN EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01
/100 R

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APPROVED BY EB/FTD:CANGEVINE
EB/TA:TWESTON
----------151924Z 051142 /53
R 151726Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA
USMISSION GENEVA
USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ETRD, CA, GATT

SUBJECT: CANADIAN COMPLAINT ABOUT US ROLE IN TSB CONSIDER-
ATION OF CANADIAN APPAREL IMPORT RESTRAINTS

GENEVA FOR PHELAN

1. ON FEBRUARY 11, CANADIAN EMBOFF (HALLIDAY) CALLED ON DEPARTMENT (DEPUTY ASSTSTANT SECRETARY GEIMER) TO EXPRESS CANADIAN GOVERNMENT'S SERIOUS CONCERN ABOUT ROLE OF US IN TEXTILE SURVEILLANCE BODY'S RECENT CONSIDERATION OF HONG KONG'S COMPLAINT ABOUT CANADIAN APPAREL IMPORT RESTRAINTS IMPOSED UNDER GATT ARTICLE 19. HALLIDAY BRIEFLY REVIEWED LEGAL ISSUES, NOTING US HAD NOT CONTESTED CANADIAN RIGHT TO
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PAGE 02 STATE 034066

IMPOSE TEXTILE IMPORT RESTRAINTS UNDER GATT, BUT HAD DIFFERED ITH GOC ON APPLICABILITY OF MFA TO SUCH ACTION. WHILE RECOGNIZING THIS DIFFERENCE IN CANADIAN AND US POSITION HALLIDAY SAID GOC BELIEVED THAT TONE AND SCOPE OF US ROLE IN TSB'S HANDLING OF HONG KONG'S COMPLAINT COULD HAVE BEEN MODERATED. ACCORDING TO HALLIDAY, US INTERPRETATION OF MFA RAISED SERIOUS DOUBTS ABOUT CANADA'S FUTURE ABILITY TO

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

PARTICIPATE IN IT.
2. BECAUSE
GOC BELIEVED ACTIONS TAKEN UNDER GATT ARTICLE 19 WERE
NOT SUBJECT TO MFA OR REVIEW BY TSB, HALLIDAY SAID IT HAD
APPEARED AT THE TSB MEETING ONLY TO RESPOND TO HONG KONG'S
COMPLAINT THAT ITS ARTICLE 19 ACTION AFFECTED OBLITATIONS
TO HONG KONG UNDER BILATERAL TEXTILE UNDERSTANDINGS.
ACCORDING TO REPORTS FROM GOC REPRESENTATIVES IN GENEVA,
HALLIDAY SAID US TSB REP HAD URGED TSB EXAMINATION OF
ARTICLE 19 ACTION ON APPAREL IMPORTS IN ITS FULL SCOPE
IN LIGHT OF CANADA'S MFA OBLIGATIONS. US REP ALSO
REPORTEDLY SUPPORTED FINDING THAT ARTICLE 9 OF MFA APPLIED
TO ACTIONS TAKEN UNDER GATT AND FURTHER, THAT ACTION TAKEN
BY CANADA ON APPAREL TENDED TO NULLIFY OBJECTIVES OF MFA.

3. GETMER REPLIED THAT US VIEWS OF RELATIONSHIP BETWEEN
MFA AND GATT OBLIGATIONS SHOULD NOT HAVE COME AS SURPRISE
TO GOC AND CERTAINLY WERE NOW CLEAR. HE STRESSED TO GOC
THAT US REACTION TO CANADIAN USE OF ARTICLE 19 IN RESPECT
TO TEXTILES NECESSARILY HAD TO TAKE INTO ACCOUNT IMPACT
OF WIDE-SCALE ROLL BACKS IN TRADE LEVELS ON PROSPECTS FOR
CONTINUED EXISTENCE OF SPECIAL INTERNATIONAL ARRANGEMENTS
REGARDING TEXTILES. HE SAID US CONTINUES TO BE CONCERNED
THAT CANADA'S ACTION AND THE RATIONALE PROVIDED FOR IT MAY
UNRAVEL MFA. WHILE US HAD SO FAR REFRAINED FROM RAISING
CANADA'S REFUSAL OF US ARTICLE 9 CONSULTATION REQUEST WITH
TSB OR GATT TEXTILE COMMITTEE, ANOTHER DEPARTMENT
OFFICER NOTED, IT COULD HARDLY DUCK ISSUE AT TSB MEETING
ON HONG KONG'S COMPLAINT WITHOUT RISKING SERIOUS EROSION
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OF EXPORTER CONFIDEMCE IN MFA'S USEFULNESS.
HARTMAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, CLOTHING, IMPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Film Number: D770053-1202
Format: TEL
From: STATE
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770239/aaaabiut.tel
Line Count: 99
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Litigation History:
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Previous Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
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Review Event:
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Subject: CANADIAN COMPLAINT ABOUT US ROLE IN TSB CONSIDER- ATION OF CANADIAN APPAREL IMPORT RESTRAINTS GENEVA FOR PHELAN
TAGS: ETRD, CA, GATT, TSB-TEXTILES SURVEILLANCE BODY
To: OTTAWA GENEVA MULTIPLE
Type: TE
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